

1 HOUSE BILL NO. 672

2 INTRODUCED BY J. WINDY BOY

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ECONOMIC DEVELOPMENT
5 PROVISIONS TO DIRECT INTEGRATION OF ECONOMIC DEVELOPMENT AND INVESTMENTS ACTIVITIES
6 WITH STATE PROGRAMS THAT PROVIDE PUBLIC ASSISTANCE AND WORK OPPORTUNITIES TO THE
7 JOBLESS AND WORKING POOR IN ORDER TO ALLOW THOSE INDIVIDUALS TO BECOME MORE
8 SELF-SUFFICIENT; RETAINING PROVISIONS REGARDING ECONOMIC DEVELOPMENT ACTIVITIES AND
9 TRIBAL RELATIONS; AMENDING SECTIONS 2-15-218, 5-5-223, 5-5-225, 7-14-1104, 17-5-1502, 17-6-305,
10 17-6-309, 90-1-105, 90-1-112, 90-1-113, AND 90-1-114, MCA, SECTION 19, CHAPTER 512, LAWS OF 1999,
11 AND SECTION 5, CHAPTER 69, LAWS OF 2001; AND PROVIDING A TERMINATION DATE."

12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14

15 **Section 1.** Section 2-15-218, MCA, is amended to read:16 **"2-15-218. Office of economic development -- structure.** (1) There is an office of economic
17 development within the office of the governor.18 (2) The head of the office is the chief business development officer, who must be appointed by the
19 governor.

20 (3) The office of economic development is composed of the following policy and program specialties:

21 (a) business retention and recruitment;

22 (b) workforce development;

23 (c) technology development;

24 (d) infrastructure improvement; ~~and~~25 (e) permitting and regulatory processes; and26 (f) integration of state economic development program efforts with those of state programs that provide
27 public assistance or work opportunities to persons who are jobless or to the working poor in order to promote
28 self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state.29 (4) The office may employ or contract with policy specialists to implement the programs listed in
30 subsection (3) and the functions referred to in 2-15-219.

1 (5) The office may accept grants, loans, and other gifts from sources other than the state for the purpose
2 of administering the provisions of 2-15-219, 90-1-112 through 90-1-114, and this section."

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4 **Section 2.** Section 5-5-223, MCA, is amended to read:

5 **"5-5-223. Economic affairs interim committee.** (1) The economic affairs interim committee has
6 administrative rule review, draft legislation review, program evaluation, and monitoring functions for the following
7 executive branch agencies and the entities attached to agencies for administrative purposes:

8 ~~(1)~~(a) department of agriculture;

9 ~~(2)~~(b) department of commerce;

10 ~~(3)~~(c) department of labor and industry;

11 ~~(4)~~(d) department of livestock;

12 ~~(5)~~(e) department of public service regulation;

13 ~~(6)~~(f) office of the state auditor and insurance commissioner; and

14 ~~(7)~~(g) office of economic development.

15 (2) The economic affairs interim committee, in conjunction with the children, families, health, and human
16 services interim committee, shall monitor the integration of state economic development program efforts with
17 those of state programs that provide public assistance and work opportunities to persons who are jobless or to
18 the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and
19 underserved areas of the state."

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21 **Section 3.** Section 5-5-225, MCA, is amended to read:

22 **"5-5-225. Children, families, health, and human services interim committee.** (1) The children,
23 families, health, and human services interim committee has administrative rule review, draft legislation review,
24 program evaluation, and monitoring functions for the department of public health and human services and the
25 entities attached to the department for administrative purposes.

26 (2) The children, families, health, and human services interim committee, in conjunction with the
27 economic affairs interim committee, shall monitor the integration of state economic development program efforts
28 with those of state programs that provide public assistance and work opportunities to persons who are jobless
29 or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and
30 underserved areas of the state."

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2 **Section 4.** Section 7-14-1104, MCA, is amended to read:

3 **"7-14-1104. Purpose -- public and governmental functions.** (1) The purposes of a port authority are
4 to:

5 (a) promote, stimulate, develop, and advance the general welfare, commerce, economic development,
6 and prosperity of its jurisdiction and of the state and its citizens;

7 (b) endeavor to increase the volume of commerce within the jurisdiction of the port authority and the
8 state through planning, advertising, acquisition, establishment, development, construction, improvement,
9 maintenance, equipment, operation, regulation, and protection of transportation, storage, or other facilities that
10 promote the safe, efficient, and economical handling of commerce;

11 (c) cooperate and act in conjunction with other organizations, public or private, in the development of
12 commerce, industry, manufacturing, services, natural resources, agriculture, livestock, recreation, tourism, health
13 care, and other economic activity in the state;

14 (d) support the creation, expansion, modernization, retention, and relocation of new and existing
15 businesses and industry in the state and otherwise stimulate, assist in, and support the growth of all kinds of
16 economic activity that will tend to promote commerce and business development, maintain the economic stability
17 and prosperity of its jurisdiction and of the state, and ~~thus~~ integrate state economic development program efforts
18 with those of state programs that provide public assistance and work opportunities to persons who are jobless
19 or to the working poor in order to provide maximum opportunities for self-sufficiency, employment, and
20 improvement in the standard of living of citizens of the state.

21 (2) The acquisition of any land or interest in land pursuant to this part, the planning, acquisition,
22 establishment, development, construction, improvement, maintenance, equipment, operation, regulation, and
23 protection of port authority facilities, and the exercise of any powers granted to port authorities and other public
24 agencies to be severally or jointly exercised are public and governmental functions, exercised for a public
25 purpose, and matters of public necessity. All land and other property and privileges acquired and used by or on
26 behalf of any authority or other public agency, as provided in this part, must be used for public and governmental
27 purposes and as a matter of public necessity. A port authority may pledge, lease, sell, or mortgage all or any part
28 of its facilities to secure bonds under this part as provided in 7-14-1133."

29

30 **Section 5.** Section 17-5-1502, MCA, is amended to read:

1 **"17-5-1502. Legislative declaration.** (1) It is the policy of the state of Montana, in the interest of
 2 promoting the health, safety, and general welfare of all the people of the state, to increase job opportunities and
 3 to retain existing jobs by making available, through the board of investments, funds for industrial, commercial,
 4 manufacturing, natural resource, agricultural, livestock, recreational, tourist, and health care development.

5 (2) The legislature finds that:

6 (a) a vigorous, diversified, and growing economy is the basic source of job opportunities;

7 (b) protection against unemployment and its economic burdens and the spread of economic stagnation
 8 can best be provided by promoting, attracting, stimulating, and revitalizing a diversified economy with
 9 contributions from industry, manufacturing, commerce, natural resource development, agriculture, livestock,
 10 recreation, tourism, and health care facilities; ~~and~~

11 (c) the state of Montana has a responsibility to help create a favorable climate for new and improved
 12 job opportunities and a stable, growing, and healthy economy for its citizens by encouraging the development
 13 of business; and

14 (d) integration of state economic development program efforts with those of state programs that provide
 15 public assistance and work opportunities to persons who are jobless or to the working poor in order to promote
 16 self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state is an important
 17 element of economic development."

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19 **Section 6.** Section 17-6-305, MCA, is amended to read:

20 **"17-6-305. Investment of up to twenty-five percent of coal tax trust fund in Montana economy --**
 21 **report by board.** (1) Subject to the provisions of 17-6-201(1), the board shall endeavor to invest up to 25% of
 22 the permanent coal tax trust fund established in 17-6-203(6) in the Montana economy, with special emphasis
 23 on investments in new or expanding locally owned enterprises and enterprises that expand work opportunities
 24 for the jobless and the working poor in order to promote self-sufficiency. Investments made pursuant to this
 25 section do not include investments made pursuant to 17-6-309(2). For purposes of calculating the 25% of the
 26 permanent coal tax trust fund, the board shall include all funds listed in 17-5-703(1). The portion of the
 27 permanent coal tax trust fund contained in portfolios formerly administered by the Montana board of science and
 28 technology development is included in the 25% of the trust fund allocated to the board for in-state investment
 29 under this section.

30 (2) In determining the probable income to be derived from investment of this revenue, the long-term

1 benefit to the Montana economy must be considered.

2 (3) The legislature may provide additional procedures to implement this section.

3 (4) The board shall include a report on the investments made under this section as a part of the
4 information required by 17-7-111."

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6 **Section 7.** Section 17-6-309, MCA, is amended to read:

7 **"17-6-309. Investment preferences.** (1) Subject to the provisions of subsection (2), in deciding which
8 of several investments of equal or comparable security and return are to be made when sufficient funds are not
9 available to fund all possible investments, the board shall give preference to the business investments that:

10 (a) assist employee-owned enterprises in providing new jobs or in preserving existing jobs for Montana
11 residents or in otherwise contributing to the long-term benefit of the Montana economy, including raising the per
12 capita income of Montana jobholders;

13 (b) are for locally owned enterprises that are either expanding or establishing new operations;

14 (c) provide jobs that will be substantially filled by current Montana residents as opposed to providing
15 jobs that will be filled by nonresidents coming into the state to fill ~~such~~ the jobs;

16 (d) maintain and improve a clean and healthful environment, with emphasis on energy efficiency;

17 (e) encourage or benefit the processing, refining, marketing, and innovative use and promotion of
18 Montana's agricultural products; ~~or~~

19 (f) benefit small- and medium-sized businesses as defined in rules adopted by the board; or

20 (g) integrate state economic development program efforts with those of state programs that provide
21 public assistance and work opportunities to persons who are jobless or to the working poor in order to promote
22 self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state.

23 (2) The board may make a loan to enhance economic development and create jobs in the basic sector
24 of the economy, as defined by the board by rule, if the loan will result in the creation of a business estimated to
25 employ at least 15 people in Montana on a permanent, full-time basis or result in the expansion of a business
26 estimated to employ at least an additional 15 people in Montana on a permanent, full-time basis or raise salaries,
27 wages, and business incomes of existing employees and employers."

28

29 **Section 8.** Section 90-1-105, MCA, is amended to read:

30 **"90-1-105. Functions of department of commerce -- economic development.** The department of

1 commerce shall:

2 (1) provide coordinating services to aid state and local groups and Indian tribal governments in the
3 promotion of new economic enterprises and conduct publicity and promotional activities in connection with new
4 economic enterprises;

5 (2) collect and disseminate information regarding the advantages of developing agricultural,
6 recreational, commercial, and industrial enterprises within this state;

7 (3) serve as the state's official liaison between persons interested in locating new economic enterprises
8 in Montana and state and local groups and Indian tribal governments seeking new enterprises;

9 (4) aid communities and Indian tribal governments interested in obtaining new business or expanding
10 existing business;

11 (5) study and promote means of expanding markets for Montana products;

12 (6) encourage and coordinate public and private agencies or bodies in publicizing the facilities and
13 attractions of the state;

14 (7) explore the use of cooperative agreements, as provided in Title 18, chapter 11, part 1, for the
15 promotion and enhancement of economic opportunities on the state's Indian reservations; and

16 (8) assist [the state-tribal economic development commission established in 90-1-131] in:

17 (a) identifying federal government and private sector funding sources for economic development on
18 Indian reservations in Montana; and

19 (b) fostering and providing assistance to prepare, develop, and implement cooperative agreements,
20 in accordance with Title 18, chapter 11, part 1, with each of the tribal governments in Montana.

21 (9) integrate state economic development program efforts with those of state programs that provide
22 public assistance and work opportunities to persons who are jobless or to the working poor in order to promote
23 self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state. (~~Subsection~~
24 ~~(8) terminates June 30, 2005--sec. 5, Ch. 69, L. 2001.~~)"

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26 **Section 9.** Section 90-1-112, MCA, is amended to read:

27 **"90-1-112. Policy -- purpose.** (1) It is the policy of this state to:

28 (a) strengthen the foundations of the state's business environment and diversify and expand existing
29 economic endeavors to achieve long-term economic stability;

30 (b) cooperate with business enterprises, local governments, other public organizations, and the federal

1 government and use all practical means and measures, including financial and technical assistance, to:
2 (i) establish an economic climate in which the state's natural resources and agricultural operations
3 remain constant contributors to the state's economic welfare;
4 (ii) articulate a coherent economic development vision for the future; and
5 (iii) take a proactive role to ensure that Montana has the flexibility and resources to be an effective
6 competitor in the changing global marketplace; and
7 (c) integrate state economic development program efforts with those of state programs that provide
8 public assistance or work opportunities to persons who are jobless or to the working poor in order to promote
9 self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state.
10 (2) The purpose of 2-15-218, 2-15-219, and 90-1-112 through 90-1-114 is to provide a vision and a
11 direction through the development of strategies and initiatives to ensure that the state's role in expanding the
12 economy takes place in an orderly and effective manner."
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14 **Section 10.** Section 90-1-113, MCA, is amended to read:

15 **"90-1-113. Cooperation of state agencies.** State agencies that have work opportunity and economic
16 development responsibilities shall cooperate with the office of economic development and provide information,
17 technical expertise, and other assistance when requested by the office of economic development."
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19 **Section 11.** Section 90-1-114, MCA, is amended to read:

20 **"90-1-114. Rulemaking authority.** (1) The office of economic development shall adopt rules to
21 implement the provisions of 2-15-218, 2-15-219, 90-1-112, 90-1-113, and this section. The rules must include
22 but are not limited to:

23 (a) criteria for providing assistance to communities; ~~and~~

24 (b) coordinating economic development efforts among other state agencies, Montana tribal
25 governments, private enterprise, federal agencies, and local governments; and

26 (c) promoting integration of state economic development program efforts with those of state programs
27 that provide public assistance and employment opportunities to persons who are jobless or to the working poor
28 in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the
29 state.

30 (2) The office may adopt rules necessary to administer the duties and responsibilities of the office."

